U. S. DUE TO AID FINANCING OF CITY SHIP LINE

To Contribute Heavily To $10,000,000 Baltimore-Hamburg Service

SHIPPING BOARD TO ADVANCE LOAN

Postoffice Department Reported Ready To Sign Mail Contract

[*Washington Bureau of The Sun*]

Washington, July 8—Two agencies of the Federal Government will contribute heavily to the financing of the $10,000,000 Baltimore Mail Steamship Line, announced yesterday. The line is expected to inaugurate a regular freight and passenger service to German ports about June, 1931.

The United States Shipping Board, it is learned in official quarters, will advance, in the form of a loan, approximately half of the capital required to start the company in business, and the Postoffice Department is ready to sign a mail contract which will net the company close to $1,000,000 a year in revenue.

$30,000 Paid For Each

All five of the oil-burning ships, which the company will put into the Baltimore-Hamburg service, have been purchased from the Shipping Board. The purchase price was $30,000 for each vessel.

The five ships are to undergo extensive overhauling. Perhaps $1,500,000 will be expended on each, or a total of $7,500,000. They will be converted from cargo ships to cargo and passenger liners of about 11,700 tons deadweight. They will have a speed of sixteen knots an hour.

Ship Board To Give Loan

By agreement with the Shipping Board, the latter will loan to the Baltimore corporation three-quarters of the contract price for overhauling and reconditioning of the fleet. Until contracts are awarded, the exact amount of the loan therefore cannot be computed. Shipping Board officials, however, have estimated that $5,000,000 will be the approximate amount which the Government will advance to the company.

A first mortgage will be taken by the board on the ships, under the terms of the loan. The Government itself will insure them as a further protection of its interest in the property.

To Pay For Mails

The mail contract, it was learned today, will provide for the payment of $6 a mile to the Baltimore company for the transport of the United States mails routed to Germany via Baltimore and Hampton Roads. The distance from Baltimore to Hamburg is said to be slightly more than 3,000 miles, which would mean about $18,000 revenue from this source for each voyage. At the rate of one voyage a week, the amount received for a year would be close to $1,000,000.

The postal contract provides for five ships to be operated over this route, each to have a speed of sixteen knots an hour. It also provides that the company may be required by the Postmaster-General to build two additional ships in the next five years, each to have a speed of eighteen knots an hour. The Baltimore-Hamburg mail route officially is known as No. 46.

Shipping Board officials today gave the names of the five vessels which had been sold to the Baltimore company. They are the Steadfast, Eclipse, Archer, Independence and the Victorious. It is assumed in Washington

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BALTIMORE, WEDNESDAY MORNING, J

GOVERNMENT TO AID NEW CITY SHIP LINE

To Contribute Heavily To $10,000,000 Baltimore-Hamburg Service

SHIP BODY TO GIVE LOAN

Postoffice Department Reported Ready To Sign Contract With Concern

(Continued from Page 24)

that the company will rechristen each ship.

N. Y. Concern To Rebuild Five Ships Line Will Use

The Federal Shipbuilding Corporation, of New York, a United States Steel subsidiary, will rebuild the five ships with which the Baltimore Mail Steamship Company will inaugurate its Baltimore-Hamburg service next spring, John M. Franklin, executive vice-president, said yesterday.

Bids for the work, for which plans and specifications were prepared during the spring, were received June 9, it was said. The ships at present are 7,500-ton steel oil burners, built by the Bethlehem Shipbuilding Corporation at Alameda, Cal., in 1918.

When reconstructed they will have a speed of sixteen knots against their present ten, narrower bows and remodeled sterns. They are 440-foot ships, with fifty-six-foot beams, and will provide accommodations for a hundred passengers each.

LINTHICUM FETE TO OPEN

Annual Carnival Will Begin Tonight On Town Hall Grounds

The nineteenth annual Linthicum Carnival will open tonight and continue until Saturday at the Town Hall grounds, Linthicum Heights, Md.

This evening the feature attraction will be the contest for the prettiest baby under 2 years of age. The award

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